

4 June 2008: Deployment of the very high speed fibre optic network

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The Conseil de la concurrence in favour of mutualising the end part of new domestic fibre optic local loops

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The press has commented certain extracts of a non-public opinion that the Conseil de la concurrence submitted to the Minister of Economy as regards an article on the draft bill for the modernization of the economy relative to the deployment of very high speed fibre optic networks.

Under these circumstances, the Conseil de la concurrence, which is not behind this information, considers necessary to publish on its internet website the opinion in full along with a press release summarizing the position adopted by the Conseil.

On behalf of the Government, the Minister of Economy asked the Conseil de la concurrence for its opinion as regards the section of the draft law on the modernization of Economy relating to the deployment of very high fibre networks of FTTH (Fibre to the Home) type. The parliamentary discussion concerning the draft law is starting today.

The deployment of a fibre optic network : a major issue for future competition on the telecommunications market

The deployment of the FTTH network aims at replacing copper local loops by fibre optic. This technique allows greater quality and increased transmission output compared with the copper pair (and notably ADSL).

The setting up of a new local loop opens an opportunity for an infrastructure competition promoting innovation and allowing increased independence of

alternative operators in this critical phase compared with the incumbent operator.

The Conseil de la concurrence is particularly careful with the behaviours of the various players during the critical launching phase. The Conseil has already issued a decision on 12 February 2008 (08-D-12) which studies the access to incumbent operator's civil engineering infrastructures (and notably covers) for the deployment of new fibre optic networks.

The sharing methods for the terminal part of the network will serve as a foundation for the market

The Conseil de la concurrence is in favour of the sharing method envisaged by the draft law, which aims at forcing the operator which deployed the terminal part of the optical fibre network (FTTh type) (notably residential buildings internal cabling) to open it to other electronic communication operators. The Conseil adds that this obligation must be imposed to all operators which installed optic fibre in the building, including the cable operators. Indeed it is advisable to avoid that a building's residents remain captive of the first operator which deployed the fibre.

The access and sharing methods which will be defined by ARCEP will nevertheless influence the competition structure of very high speed in the forthcoming years. It appears appropriate to support this development through a transparent and open debate in which the Conseil de la concurrence would be asked to give its opinion, on the model of the market analysis procedure of Article L. 37-1 of CPCE (Code of postal and electronic communications).

The issue of the localization of the sharing point will be particularly decisive so that the building's residents can effectively choose their operator. In this respect, it is necessary that sharing methods be swiftly decided in order to avoid that regulation be constrained by a given de facto situation.